

HOUSE BILL 357

C3
HB 1014/22 – HGO

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CF SB 898

By: ~~Delegate Kipke~~ Delegates Kipke, Alston, Bagnall, Bhandari, Chisholm, Cullison, Guzzone, Hill, Hutchinson, S. Johnson, Kaiser, Kerr, R. Lewis, Lopez, Martinez, M. Morgan, Pena-Melnyk, Reilly, Rosenberg, Szeliga, Taveras, White, and Woods

Introduced and read first time: January 26, 2023
Assigned to: Health and Government Operations

Committee Report: Favorable with amendments
House action: Adopted
Read second time: March 5, 2023

CHAPTER _____

1 AN ACT concerning

2 **Pharmacy Benefits Managers – ~~Definitions~~ Definition of Carrier, ERISA, and**
3 **Purchaser and Alteration of Application of Law**

4 FOR the purpose of ~~repealing the definitions of “carrier” and “ERISA” and altering the~~
5 ~~definition~~ altering the definition of “purchaser” for the purpose of ~~applying~~
6 provisions of State insurance law governing pharmacy benefits managers to ~~certain~~
7 ~~persons that provide prescription drug coverage or benefits in the State through~~
8 ~~plans or programs subject to the federal Employee Retirement Income Security Act~~
9 ~~of 1974 (ERISA)~~ exclude certain nonprofit health maintenance organizations;
10 ~~repealing a certain provision~~ provisions that ~~restricts~~ restrict the applicability of
11 certain provisions of law to pharmacy benefits managers that provide pharmacy
12 benefits management services on behalf of a carrier; and generally relating to
13 pharmacy benefits managers.

14 BY repealing and reenacting, with amendments,
15 Article – Insurance
16 Section 15-1601, ~~15-1606~~, 15-1611, 15-1611.1, 15-1612, 15-1613, 15-1622,
17 ~~15-1628(a), 15-1628.3~~, 15-1629, and 15-1630, ~~and 15-1633.1~~
18 Annotated Code of Maryland
19 (2017 Replacement Volume and 2022 Supplement)

20 ~~BY repealing~~

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 ~~Article – Insurance~~
 2 ~~Section 15–1633~~
 3 ~~Annotated Code of Maryland~~
 4 ~~(2017 Replacement Volume and 2022 Supplement)~~

5 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
 6 That the Laws of Maryland read as follows:

7 **Article – Insurance**

8 15–1601.

9 (a) In this subtitle the following words have the meanings indicated.

10 (b) “Agent” means a pharmacy, a pharmacist, a mail order pharmacy, or a
 11 nonresident pharmacy acting on behalf or at the direction of a pharmacy benefits manager.

12 (c) “Beneficiary” means an individual who receives prescription drug coverage or
 13 benefits from a purchaser.

14 (d) ~~¶~~(1) “Carrier” means the State Employee and Retiree Health and Welfare
 15 Benefits Program, an insurer, a nonprofit health service plan, or a health maintenance
 16 organization that:

17 (i) provides prescription drug coverage or benefits in the State; and

18 (ii) enters into an agreement with a pharmacy benefits manager for
 19 the provision of pharmacy benefits management services.

20 (2) “Carrier” does not include a person that provides prescription drug
 21 coverage or benefits through plans subject to ERISA and does not provide prescription drug
 22 coverage or benefits through insurance, unless the person is a multiple employer welfare
 23 arrangement as defined in § 514(b)(6)(A)(ii) of ERISA.

24 (e)~~¶~~ “Compensation program” means a program, policy, or process through which
 25 sources and pricing information are used by a pharmacy benefits manager to determine the
 26 terms of payment as stated in a participating pharmacy contract.

27 ~~¶~~(f) ~~(E)~~ “Contracted pharmacy” means a pharmacy that participates in the
 28 network of a pharmacy benefits manager through a contract with:

29 (1) the pharmacy benefits manager; or

30 (2) a pharmacy services administration organization or a group purchasing
 31 organization.

32 ~~¶~~(g) “ERISA” has the meaning stated in § 8–301 of this article.~~¶~~

1 ~~[(h)] (F)~~ “Formulary” means a list of prescription drugs used by a purchaser.

2 ~~[(i)] (G)~~ (1) “Manufacturer payments” means any compensation or
3 remuneration a pharmacy benefits manager receives from or on behalf of a pharmaceutical
4 manufacturer.

5 (2) “Manufacturer payments” includes:

6 (i) payments received in accordance with agreements with
7 pharmaceutical manufacturers for formulary placement and, if applicable, drug utilization;

8 (ii) rebates, regardless of how categorized;

9 (iii) market share incentives;

10 (iv) commissions;

11 (v) fees under products and services agreements;

12 (vi) any fees received for the sale of utilization data to a
13 pharmaceutical manufacturer; and

14 (vii) administrative or management fees.

15 (3) “Manufacturer payments” does not include purchase discounts based on
16 invoiced purchase terms.

17 ~~[(j)] (H)~~ “Nonprofit health maintenance organization” has the meaning stated
18 in § 6–121(a) of this article.

19 ~~[(k)] (I)~~ “Nonresident pharmacy” has the meaning stated in § 12–403 of the
20 Health Occupations Article.

21 ~~[(l)] (J)~~ “Participating pharmacy contract” means a contract filed with the
22 Commissioner in accordance with § 15–1628(b) of this subtitle.

23 ~~[(m)] (K)~~ “Pharmacist” has the meaning stated in § 12–101 of the Health
24 Occupations Article.

25 ~~[(n)] (L)~~ “Pharmacy” has the meaning stated in § 12–101 of the Health
26 Occupations Article.

27 ~~[(o)] (M)~~ “Pharmacy and therapeutics committee” means a committee
28 established by a pharmacy benefits manager to:

1 (1) objectively appraise and evaluate prescription drugs; and

2 (2) make recommendations to a purchaser regarding the selection of drugs
3 for the purchaser's formulary.

4 ~~[(p)]~~ ~~(N)~~ (1) "Pharmacy benefits management services" means:

5 (i) the procurement of prescription drugs at a negotiated rate for
6 dispensation within the State to beneficiaries;

7 (ii) the administration or management of prescription drug coverage
8 provided by a purchaser for beneficiaries; and

9 (iii) any of the following services provided with regard to the
10 administration of prescription drug coverage:

11 1. mail service pharmacy;

12 2. claims processing, retail network management, and
13 payment of claims to pharmacies for prescription drugs dispensed to beneficiaries;

14 3. clinical formulary development and management services;

15 4. rebate contracting and administration;

16 5. patient compliance, therapeutic intervention, and generic
17 substitution programs; or

18 6. disease management programs.

19 (2) "Pharmacy benefits management services" does not include any service
20 provided by a nonprofit health maintenance organization that operates as a group model,
21 provided that the service:

22 (i) is provided solely to a member of the nonprofit health
23 maintenance organization; and

24 (ii) is furnished through the internal pharmacy operations of the
25 nonprofit health maintenance organization.

26 ~~[(q)]~~ ~~(O)~~ "Pharmacy benefits manager" means a person that performs pharmacy
27 benefits management services.

28 ~~[(r)]~~ ~~(P)~~ "Proprietary information" means:

29 (1) a trade secret;

1 (2) confidential commercial information; or

2 (3) confidential financial information.

3 ~~[(s)]~~ ~~(e)~~ (1) “Purchaser” means a person that offers a plan or program in the
4 State, including the State Employee and Retiree Health and Welfare Benefits Program, AN
5 INSURER, A NONPROFIT HEALTH SERVICE PLAN, OR A HEALTH MAINTENANCE
6 ORGANIZATION, that:

7 [(1)] (I) provides prescription drug coverage or benefits in the State; and

8 [(2)] (II) enters into an agreement with a pharmacy benefits manager for
9 the provision of pharmacy benefits management services.

10 (2) “PURCHASER” DOES NOT INCLUDE A NONPROFIT HEALTH
11 MAINTENANCE ORGANIZATION THAT:

12 (I) OPERATES AS A GROUP MODEL;

13 (II) PROVIDES SERVICES SOLELY TO MEMBERS OR PATIENTS OF
14 THE NONPROFIT HEALTH MAINTENANCE ORGANIZATION; AND

15 (III) FURNISHES SERVICES THROUGH THE INTERNAL PHARMACY
16 OPERATIONS OF THE NONPROFIT HEALTH MAINTENANCE ORGANIZATION.

17 ~~[(t)]~~ ~~(r)~~ “Rebate sharing contract” means a contract between a pharmacy
18 benefits manager and a purchaser under which the pharmacy benefits manager agrees to
19 share manufacturer payments with the purchaser.

20 ~~[(u)]~~ ~~(s)~~ (1) “Therapeutic interchange” means any change from one
21 prescription drug to another.

22 (2) “Therapeutic interchange” does not include:

23 (i) a change initiated pursuant to a drug utilization review;

24 (ii) a change initiated for patient safety reasons;

25 (iii) a change required due to market unavailability of the currently
26 prescribed drug;

27 (iv) a change from a brand name drug to a generic drug in accordance
28 with § 12-504 of the Health Occupations Article; or

29 (v) a change required for coverage reasons because the originally
30 prescribed drug is not covered by the beneficiary’s formulary or plan.

1 ~~[(v)] (T)~~ “Therapeutic interchange solicitation” means any communication by a
2 pharmacy benefits manager for the purpose of requesting a therapeutic interchange.

3 ~~[(w)] (U)~~ “Trade secret” has the meaning stated in § 11–1201 of the Commercial
4 Law Article.

5 ~~15–1606.~~

6 ~~A [carrier] PURCHASER may not enter into an agreement with a pharmacy benefits~~
7 ~~manager that has not registered with the Commissioner.~~

8 15–1611.

9 (a) [This section applies only to a pharmacy benefits manager that provides
10 pharmacy benefits management services on behalf of a carrier.

11 (b)] A pharmacy benefits manager may not prohibit a pharmacy or pharmacist
12 from:

13 (1) providing a beneficiary with information regarding the retail price for
14 a prescription drug or the amount of the cost share for which the beneficiary is responsible
15 for a prescription drug;

16 (2) discussing with a beneficiary information regarding the retail price for
17 a prescription drug or the amount of the cost share for which the beneficiary is responsible
18 for a prescription drug; or

19 (3) if a more affordable drug is available than one on the purchaser’s
20 formulary and the requirements for a therapeutic interchange under §§ ~~15–1633.1]~~
21 ~~15–1633~~ through 15–1639 of this subtitle are met, selling the more affordable alternative
22 to the beneficiary.

23 [(c)] (B) This section may not be construed to alter the requirements for a
24 therapeutic interchange under §§ ~~15–1633.1]~~ ~~15–1633~~ through 15–1639 of this subtitle.

25 15–1611.1.

26 (a) [This section applies only to a pharmacy benefits manager that provides
27 pharmacy benefits management services on behalf of a carrier.

28 (b)] Except as provided in subsection [(c)] (B) of this section, a pharmacy benefits
29 manager may not require that a beneficiary use a specific pharmacy or entity to fill a
30 prescription if:

1 (1) the pharmacy benefits manager or a corporate affiliate of the pharmacy
2 benefits manager has an ownership interest in the pharmacy or entity; or

3 (2) the pharmacy or entity has an ownership interest in the pharmacy
4 benefits manager or a corporate affiliate of the pharmacy benefits manager.

5 **[(c) (B)]** A pharmacy benefits manager may require a beneficiary to use a
6 specific pharmacy or entity for a specialty drug as defined in § 15–847 of this title.

7 15–1612.

8 (a) **[This section applies only to a pharmacy benefits manager that provides**
9 **pharmacy benefits management services on behalf of a carrier.**

10 **(b)]** This section does not apply to reimbursement:

11 (1) for specialty drugs;

12 (2) for mail order drugs; or

13 (3) to a chain pharmacy with more than 15 stores or a pharmacist who is
14 an employee of the chain pharmacy.

15 **[(c) (B)]** A pharmacy benefits manager may not reimburse a pharmacy or
16 pharmacist for a pharmaceutical product or pharmacist service in an amount less than the
17 amount that the pharmacy benefits manager reimburses itself or an affiliate for providing
18 the same product or service.

19 15–1613.

20 A pharmacy and therapeutics committee established by a pharmacy benefits
21 manager performing pharmacy benefits management services **[on behalf of a carrier]** shall
22 meet the requirements of this part.

23 15–1622.

24 **[(a)]** Except as provided for in subsection (b) of this section, the provisions of §§
25 15–1623 and 15–1624 of this subtitle apply only to a pharmacy benefits manager that
26 provides pharmacy benefits management services on behalf of a carrier.

27 **(b)]** The provisions of §§ 15–1623 and 15–1624 of this part do not apply to a
28 pharmacy benefits manager when providing pharmacy benefits management services to a
29 purchaser that is affiliated with the pharmacy benefits manager through common
30 ownership within an insurance holding company.

31 ~~15–1628.~~

1 ~~(a) (1) At the time of entering into a contract with a pharmacy or a pharmacist,~~
 2 ~~and at least 30 working days before any contract change, a pharmacy benefits manager~~
 3 ~~shall disclose to the pharmacy or pharmacist:~~

4 ~~(i) the applicable terms, conditions, and reimbursement rates;~~

5 ~~(ii) the process and procedures for verifying pharmacy benefits and~~
 6 ~~beneficiary eligibility;~~

7 ~~(iii) the dispute resolution and audit appeals process; and~~

8 ~~(iv) the process and procedures for verifying the prescription drugs~~
 9 ~~included on the formularies used by the pharmacy benefits manager.~~

10 ~~(2) (i) This paragraph does not apply to a requirement that a specialty~~
 11 ~~pharmacy obtain national certification to be considered a specialty pharmacy in a pharmacy~~
 12 ~~benefits manager's or [carrier's] PURCHASER'S network.~~

13 ~~(ii) For purposes of credentialing a pharmacy or a pharmacist as a~~
 14 ~~condition for participating in a pharmacy benefits manager's OR PURCHASER'S network~~
 15 ~~[for a carrier], the pharmacy benefits manager OR PURCHASER may not:~~

16 ~~1. require a pharmacy or pharmacist to renew credentialing~~
 17 ~~more frequently than once every 3 years; or~~

18 ~~2. charge a pharmacy or pharmacist a fee for the initial~~
 19 ~~credentialing or renewing credentialing.~~

20 ~~15-1628.3.~~

21 ~~(a) A pharmacy benefits manager or a [carrier] PURCHASER may not directly or~~
 22 ~~indirectly charge a contracted pharmacy, or hold a contracted pharmacy responsible for, a~~
 23 ~~fee or performance-based reimbursement related to the adjudication of a claim or an~~
 24 ~~incentive program.~~

25 ~~(b) A pharmacy benefits manager or [carrier] PURCHASER may not make or~~
 26 ~~allow any reduction in payment for pharmacy services by a pharmacy benefits manager or~~
 27 ~~[carrier] PURCHASER or directly or indirectly reduce a payment for a pharmacy service~~
 28 ~~under a reconciliation process to an effective rate of reimbursement, including generic~~
 29 ~~effective rates, brand effective rates, direct and indirect remuneration fees, or any other~~
 30 ~~reduction or aggregate reduction of payments.~~

31 ~~15-1629.~~

1 (a) [This section applies only to a pharmacy benefits manager that provides
2 pharmacy benefits management services on behalf of a carrier.

3 (b)] This section does not apply to an audit that involves probable or potential
4 fraud or willful misrepresentation by a pharmacy or pharmacist.

5 [(c)] (B) A pharmacy benefits manager shall conduct an audit of a pharmacy or
6 pharmacist under contract with the pharmacy benefits manager in accordance with this
7 section.

8 [(d)] (C) A pharmacy benefits manager may not schedule an onsite audit to begin
9 during the first 5 calendar days of a month unless requested by the pharmacy or
10 pharmacist.

11 [(e)] (D) When conducting an audit, a pharmacy benefits manager shall:

12 (1) if the audit is onsite, provide written notice to the pharmacy or
13 pharmacist at least 2 weeks before conducting the initial onsite audit for each audit cycle;

14 (2) employ the services of a pharmacist if the audit requires the clinical or
15 professional judgment of a pharmacist;

16 (3) permit its auditors to enter the prescription area of a pharmacy only
17 when accompanied by or authorized by a member of the pharmacy staff;

18 (4) allow a pharmacist or pharmacy to use any prescription, or authorized
19 change to a prescription, that meets the requirements of COMAR 10.34.20.02 to validate
20 claims submitted for reimbursement for dispensing of original and refill prescriptions;

21 (5) for purposes of validating the pharmacy record with respect to orders
22 or refills of a drug, allow the pharmacy or pharmacist to use records of a hospital or a
23 physician or other prescriber authorized by law that are:

24 (i) written; or

25 (ii) transmitted electronically or by any other means of
26 communication authorized by contract between the pharmacy and the pharmacy benefits
27 manager;

28 (6) audit each pharmacy and pharmacist under the same standards and
29 parameters as other similarly situated pharmacies or pharmacists audited by the
30 pharmacy benefits manager;

31 (7) only audit claims submitted or adjudicated within the 2-year period
32 immediately preceding the audit, unless a longer period is authorized under federal or State
33 law;

1 (8) deliver the preliminary audit report to the pharmacy or pharmacist
2 within 120 calendar days after the completion of the audit, with reasonable extensions
3 allowed;

4 (9) in accordance with subsection ~~[(k)]~~ **(J)** of this section, allow a pharmacy
5 or pharmacist to produce documentation to address any discrepancy found during the audit;
6 and

7 (10) deliver the final audit report to the pharmacy or pharmacist:

8 (i) within 6 months after delivery of the preliminary audit report if
9 the pharmacy or pharmacist does not request an internal appeal under subsection ~~[(k)]~~ **(J)**
10 of this section; or

11 (ii) within 30 days after the conclusion of the internal appeals
12 process under subsection ~~[(k)]~~ **(J)** of this section if the pharmacy or pharmacist requests
13 an internal appeal.

14 ~~[(f)]~~ **(E)** If a contract between a pharmacy or pharmacist and a pharmacy
15 benefits manager specifies a period of time in which a pharmacy or pharmacist is allowed
16 to withdraw and resubmit a claim and that period of time expires before the pharmacy
17 benefits manager delivers a preliminary audit report that identifies discrepancies, the
18 pharmacy benefits manager shall allow the pharmacy or pharmacist to withdraw and
19 resubmit a claim within 30 days after:

20 (1) the preliminary audit report is delivered if the pharmacy or pharmacist
21 does not request an internal appeal under subsection ~~[(k)]~~ **(J)** of this section; or

22 (2) the conclusion of the internal appeals process under subsection ~~[(k)]~~ **(J)**
23 of this section if the pharmacy or pharmacist requests an internal appeal.

24 ~~[(g)]~~ **(F)** During an audit, a pharmacy benefits manager may not disrupt the
25 provision of services to the customers of a pharmacy.

26 ~~[(h)]~~ **(G)** (1) A pharmacy benefits manager may not:

27 (i) use the accounting practice of extrapolation to calculate
28 overpayments or underpayments; or

29 (ii) Except as provided in paragraph (2) of this subsection:

30 1. share information from an audit with another pharmacy
31 benefits manager; or

32 2. use information from an audit conducted by another
33 pharmacy benefits manager.

1 (2) Paragraph (1)(ii) of this subsection does not apply to the sharing of
2 information:

3 (i) required by federal or State law;

4 (ii) in connection with an acquisition or merger involving the
5 pharmacy benefits manager; or

6 (iii) at the payor's request or under the terms of the agreement
7 between the pharmacy benefits manager and the payor.

8 **[(i)] (H)** The recoupment of a claims payment from a pharmacy or pharmacist
9 by a pharmacy benefits manager shall be based on an actual overpayment or denial of an
10 audited claim unless the projected overpayment or denial is part of a settlement agreed to
11 by the pharmacy or pharmacist.

12 **[(j)] (I)** (1) In this subsection, "overpayment" means a payment by the
13 pharmacy benefits manager to a pharmacy or pharmacist that is greater than the rate or
14 terms specified in the contract between the pharmacy or pharmacist and the pharmacy
15 benefits manager at the time that the payment is made.

16 (2) A clerical error, record-keeping error, typographical error, or
17 scrivener's error in a required document or record may not constitute fraud or grounds for
18 recoupment of a claims payment from a pharmacy or pharmacist by a pharmacy benefits
19 manager if the prescription was otherwise legally dispensed and the claim was otherwise
20 materially correct.

21 (3) Notwithstanding paragraph (2) of this subsection, claims remain
22 subject to recoupment of overpayment or payment of any discovered underpayment by the
23 pharmacy benefits manager.

24 **[(k)] (J)** (1) A pharmacy benefits manager shall establish an internal appeals
25 process under which a pharmacy or pharmacist may appeal any disputed claim in a
26 preliminary audit report.

27 (2) Under the internal appeals process, a pharmacy benefits manager shall
28 allow a pharmacy or pharmacist to request an internal appeal within 30 working days after
29 receipt of the preliminary audit report, with reasonable extensions allowed.

30 (3) The pharmacy benefits manager shall include in its preliminary audit
31 report a written explanation of the internal appeals process, including the name, address,
32 and telephone number of the person to whom an internal appeal should be addressed.

33 (4) The decision of the pharmacy benefits manager on an appeal of a
34 disputed claim in a preliminary audit report by a pharmacy or pharmacist shall be reflected
35 in the final audit report.

1 (5) The pharmacy benefits manager shall deliver the final audit report to
2 the pharmacy or pharmacist within 30 calendar days after conclusion of the internal
3 appeals process.

4 **[(l)] (K)** (1) A pharmacy benefits manager may not recoup by setoff any
5 money for an overpayment or denial of a claim until:

6 (i) the pharmacy or pharmacist has an opportunity to review the
7 pharmacy benefits manager's findings; and

8 (ii) if the pharmacy or pharmacist concurs with the pharmacy
9 benefits manager's findings of overpayment or denial, 30 working days have elapsed after
10 the date the final audit report has been delivered to the pharmacy or pharmacist.

11 (2) If the pharmacy or pharmacist does not concur with the pharmacy
12 benefits manager's findings of overpayment or denial, the pharmacy benefits manager may
13 not recoup by setoff any money pending the outcome of an appeal under subsection **[(k)]**
14 **(J)** of this section.

15 (3) A pharmacy benefits manager shall remit any money due to a pharmacy
16 or pharmacist as a result of an underpayment of a claim within 30 working days after the
17 final audit report has been delivered to the pharmacy or pharmacist.

18 (4) Notwithstanding the provisions of paragraph (1) of this subsection, a
19 pharmacy benefits manager may withhold future payments before the date the final audit
20 report has been delivered to the pharmacy or pharmacist if the identified discrepancy for
21 all disputed claims in a preliminary audit report for an individual audit exceeds \$25,000.

22 **[(m)] (L)** (1) The Commissioner may adopt regulations regarding:

23 (i) the documentation that may be requested during an audit; and

24 (ii) the process a pharmacy benefits manager may use to conduct an
25 audit.

26 (2) On request of the Commissioner or the Commissioner's designee, a
27 pharmacy benefits manager shall provide a copy of its audit procedures or internal appeals
28 process.

29 15-1630.

30 (a) **[This section applies only to a pharmacy benefits manager that provides**
31 **pharmacy benefits management services on behalf of a carrier.**

1 (b) A pharmacy benefits manager shall establish a reasonable internal review
2 process for a pharmacy to request the review of a failure to pay the contractual
3 reimbursement amount of a submitted claim.

4 [(c) (B) A pharmacy may request a pharmacy benefits manager to review a
5 failure to pay the contractual reimbursement amount of a claim within 180 calendar days
6 after the date the submitted claim was paid by the pharmacy benefits manager.

7 [(d) (C) The pharmacy benefits manager shall give written notice of its review
8 decision within 90 calendar days after receipt of a request for review from a pharmacy
9 under this section.

10 [(e) (D) If the pharmacy benefits manager determines through the internal
11 review process established under subsection [(b) (A) of this section that the pharmacy
12 benefits manager underpaid a pharmacy, the pharmacy benefits manager shall pay any
13 money due to the pharmacy within 30 working days after completion of the internal review
14 process.

15 [(f) (E) This section may not be construed to limit the ability of a pharmacy and
16 a pharmacy benefits manager to contractually agree that a pharmacy may have more than
17 180 calendar days to request an internal review of a failure of the pharmacy benefits
18 manager to pay the contractual amount of a submitted claim.

19 ~~[(15-1633.~~

20 ~~The provisions of §§ 15-1633.1 through 15-1639 of this subtitle apply only to a~~
21 ~~pharmacy benefits manager performing pharmacy benefits management services on behalf~~
22 ~~of a carrier.]~~

23 ~~[(15-1633.1.) 15-1633.~~

24 ~~A pharmacy benefits manager or its agent may not request a therapeutic interchange~~
25 ~~unless:~~

26 ~~(1) the proposed therapeutic interchange is for medical reasons that benefit~~
27 ~~the beneficiary; or~~

28 ~~(2) the proposed therapeutic interchange will result in financial savings~~
29 ~~and benefits to the purchaser or the beneficiary.~~

30 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
31 January 1, 2024.